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SUBJECT: ANTI-CORRUPTION UPDATE OCTOBER 26, 2009

REF: A. BAGHDAD 1308

1B. BAGHDAD 2745

1C. BAGHDAD 2385

1D. BAGHDAD 2214

Classified By: ACCO Joseph Stafford, reason 1.4 (b and d)

11. (C) SUMMARY: Iraq's Council of Representatives (COR) has resumed its questioning of senior officials on corruption allegations. Prime Minister Nouri al-Maliki has singled out "political corruption" for condemnation at a recent Defense Ministry-sponsored conference. ACCO contacts tell us that the Commission of Integrity (COI) is pressing corruption cases vigorously and that it has done a good job remaining above the political fray. END SUMMARY.

Council of Representatives Resumes Questioning

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12. (C) The Council of Representatives (COR) has resumed the kind of oversight role that characterized its tough questioning of then-Minister of Trade al-Sudani in May (ref A). In the past few weeks, the COR has summoned senior officials for questioning, although political consideration undoubtedly play a role in selecting the targets. The Head of the Independent Higher Electoral Committee, Faraj al-Haydari, was questioned on corruption charges October 5 by Kareem al-Yacoubi (of Fadhilat), who sits on the Economic Committee (Ref B). Sarmad Mubasher Mohammed, an advisor to Iraqi Vice President Tareq al-Hasehmi (IIP) alleged to ACCO Coordinator on October 20 that Haydari and IHEC spokesman Qassim al-Aboudi were both involved in corruption, asserting that the parliamentary questioning had made clear Haydari "was not clean." Haydari refuted all claims of misdeeds in public statements.

13. (C) The COR questioned Minister of Electricity Karim Wahid al-Hasan October 12-14. Hasan was grilled by Jinan al-Obeidi (Badr Organization), who accused him of "non-performance." (NOTE: Although not a corruption charge, Iraqi officials can be held liable under section 341 of the Criminal Procedure Code for failing to perform assigned duties. The charge often is seen as a less direct way to pursue corruption charges. End Note.) Obeidi accused Hasan of misdeeds ranging from hiring illiterate employees (a violation of Iraqi law) and inflating payrolls with excessive staff to mishandling of procurement contracts. At the close of the questioning, Obeidi said that she was not satisfied with Hasan's answer and that she planned to refer his "case" for investigation to the Commission on Integrity (COI), Iraq's lead anti-corruption institution. Judge Izzat Tawfiq al-Jafar, Deputy Commissioner of the COI, told ACCO COI advisor on October 22 that the COI obtained some files from the COR pursuant to Obeidi's inquiry, but added that they contained no actionable information. Jafar said that the COI is pursuing corruption cases in the Ministry of Electricity, but they are unrelated to the vague accusations leveled against Hasan in parliament.

14. (C) Head of the COR's Committee on Integrity, Sheikh Sabah al-Saidi, told reporters on October 22 that the COR would continue questioning Iraqi officials on corruption and

other issues. COR members announced that parliament would question Oil Minister Hussein al-Shahristani on October 27 on allegations of "incompetence" and "mismanagement." A defiant Shahristani told the media that he would not appear for questioning. If he does appear, it is not clear to what extent corruption charges could be leveled; sources have indicated that evidence of Shahristani's personal involvement in corruption is weak. However, Vice Presidential advisor Sarmad Mubasher Mohammed told ACCO coordinator that, if corruption were to emerge in parliamentary sessions, the Oil Minister was "very clever" and would be able to defuse allegations.

Maliki Attends Corruption Conference at MOD

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15. (SBU) Prime Minister Nouri al-Maliki spoke at a major conference held at Iraq's Ministry of Defense on October 15 and said that "'political corruption' (COMMENT: i.e., misuse of public office to pursue party or electoral goals. End Comment) is as big a challenge as financial and administrative corruption" and noted that such corruption endangered national unity. Maliki also called for a greater role of civil society in helping address the issue of corruption, and said that there was a broad need for anti-corruption training in all institutions of government. Maliki also vowed to "conduct war on corruption across all agencies." Ashraf al-Farraj, Inspector General of the Ministry of Defense, told ACCO Coordinator on October 21 that the conference had brought together a number of Iraqi institutions and officials to review the role of forensics in combating economic crimes.

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COI Above the Political Fray?

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16. (C) The trials of two senior officials on corruption charges are still pending with the judiciary. VP Hashemi's advisor Mohammed speculated that the trials -- of former Minister of Trade al-Sudani and Deputy Minister of Transportation Adnan al-Obeidy (Ref C) -- would go forward and result in guilty verdicts for both. (NOTE: We are unable to confirm local media report of October 23 that Sudani, free on bail, had fled to London. End Note.)

17. (C) Mohammed also praised COI Commissioner Judge Raheem al-Ugaily, who he said had risen above politics and thus was drawing the ire of all blocs in parliament. He said the PM, by contrast, had not followed up words with action on the anti-corruption dossier and continued his attempts to interfere in the COI's operations. Mohammed also noted that Ugaily still lacked full authority because he had not been confirmed by parliament.

18. (C) COMMENT: The COR's resumption of scrutiny of selected members of the executive branch is noteworthy. Following the questioning of Minister of Trade Sudani last May, the Prime Minister made clear his discontent with the COR's actions in summoning ministers and stated that the MP's might regret zealous questioning as this could open them up to return scrutiny. The October hearings suggest that COR members are ready to risk renewed confrontation with the Prime Minister, perhaps in an effort to burnish anti-corruption credentials at his government's expense in the run-up to elections. The swipe at the PM by the Hashemi staffer is of a piece with common views that the Prime Minister is long on talk but short on action on combating corruption. As reported Ref D, we judge that the depth of the Prime Minister's commitment to reducing corruption is uncertain and that he is keen to exercise some control over Iraq's supposedly independent anti-corruption institutions. End Comment.

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